Message Text

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PASS AGRICULTURE FAS

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TAGS: EAGR PL
SUBJ:VISIT OF SECRETARY BERGLAND TO POLAND - MEMORANDUM OF DISCUSSION
AT THE MINISTRY OF AGRICULTURE--MAY 19, 1978

REF: WARSAW 4326

1. FOLLOWING IS AN INFORMAL TRANSLATION OF THE MEMORANDUM OF DISCUSSION BETWEEN MINISTER OF AGRICULTURE LEON KLONICA AND SECRETARY OF AGRICULTURE BOB BERGLAND AT THE POLISH MINISTRY OF AGRICULTURE ON MAY 19, 1978. BEGIN TEXT:

DURING THE TALKS AT THE MINISTRY OF AGRICULTURE, THE DELEGATIONS OF BOTH COUNTRIES EXCHANGED OPINIONS ON THE SUBJECT OF THE SITUATION IN WORLD AGRICULTURE AND SUPPLIED EACH OTHER INFORMATION ON THE SUBJECT OF THE CURRENT SITUATION IN U.S. AND POLISH AGRICULTURE.

THE TWO DELEGATIONS MADE A FAVORABLE JUDGEMENT OF THE EXCHANGE OF INFORMATION IN THE AREA OF AGRICULTURE. IT HELPS THEM TO EVALUATE THE SITUATION AND MAKES POSSIBLE BETTER PLANNING FOR PRODUCTION AND TRADE POLICY. THE US DELEGATION SAID ABOUT 30 PERCENT OF US GRAIN PRODUCTION IS EARMARKED FOR EXPORT, AND SALES OF AGRICULTURAL COMMODITIES TO MARKETS ABROAD IS OF ESSENTIAL IMPORTANCE, BOTH FOR US AGRICULTURE UNCLASSIFIED

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AND FOR THE TOTAL BALANCE OF PAYMENTS. THE AMERICAN DELEGATION APPRECIATED POLAND HIGHLY AS A TRADITIONAL BUYER OF AMERICAN AGRICULTURAL COMMODITIES, AND IS INTERESTED IN CONTINUING AND EXPANDING SUCH EXPORTS.

2. THE POLISH DELEGATION EXPRESSED ITS INTEREST IN TAKING A LONG-TERM AGREEMENT ON IMPORTS OF AGRICULTURAL COMMODITIES

FROM THE US FOR A PERIOD OF 5-10 YEARS. THE POLISH PARTY STATED ITS ROUGH REQUIREMENT FOR GRAIN AND FEED IMPORTS FROM THE US AT 4-5 MMT IN 1978-1979 AND 1979-1980, AND 3-4 MMT OVER THE YEARS 1981-1985.

THE POLISH PARTY EMPHASIZED THAT ENTERING INTO SUCH AN AGREEMENT WOULD BE MUCH EASIER IF THE US GRANTED POLAND MORE FAVORABLE CREDIT TERMS THAN IT HAS DONE TO DATE. THE POLISH SUGGESTION IS A 10-YEAR CREDIT WITH A THREE-YEAR GRACE PERIOD, AND AN ESPECIALLY LOW INTEREST RATE. THE AMERICAN GROUP EXPLAINED THAT PRESENT US LEGISLATION DOES NOT GIVE THE ADMINISTRATION ANY POSSIBILITY OF SELLING AGRICULTURAL COMMODITIES TO POLAND ON CREDIT TERMS OTHER THAN UNDER THE CCC.

THE PROBLEM OF MEDIUM-TERM CREDITS FOR EXPORTS OF AGRICULTURAL COMMODITIES IS CURRENTLY THE SUBJECT OF DISCUSSION IN CONGRESS, AND THE ADMINISTRATION WILL NOT BE ABLE TO ADDRESS THE PROBLEM BEFORE (CERTAIN CONGRESSIONAL) DECISIONS ARE MADE.

3. THE POLISH DELEGATION STATED ITS ROUGH REQUIREMENTS ON GRAIN AND FEED IMPORTS FROM THE US FOR 1978-1979 AS FOLLOWS: GRAINS-3-4 MMT; OIL MEAL AND CAKE - 700-800,000 MT; SOYBEANS - 100-150,000 MT; VEGETABLE OILS - 20-25,000 MT; EDIBLE SOY PROTEIN- 10-12,000 MT. THE POLISH SIDE STRESSED THAT THE SIZE OF IMPORTS FROM THE US WILL DEPEND ON PRICE LEVELS UNCLASSIFIED

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AND CREDIT TERMS.

THE US GROUP TOOK NOTE OF THE SIZE OF POLISH REQUIREMENTS AND VOICED A TENTATIVE OPINION THAT UNDER PRESENT CIRCUMSTANCES, NO DIFFICULTIES WITH SUPPLYING THESE REQUIREMENTS ARE EXPECTED. THE QUESTION OF CREDIT TERMS, SUCH AS MEDIUM-TERM OR CCC CREDIT, AND THEIR SIZE, SHALL BE GIVEN CONSIDERATION BY THE US GOVERNMENT IN THE FUTURE, IN ACCORDANCE WITH PROCEDURES NOW IN EFFECT.

- 4. BOTH SIDES JUDGE FAVORABLY SCIENTIFIC-TECHNICAL COOPERATION IN AGRICULTURE, AND INTEND TO CONTINUE AND TO EXPAND IT. DETAILS WILL BE DISCUSSED IN WASHINGTON DURING THE UPCOMING SESSION OF THE AGRICULTURAL WORKING GROUP. THE POLISH TEAM EMPHASIZED THAT IT ATTACHES GREAT IMPORTANCE TO TRAINING IN THE US OF YOUNG POLISH FARMERS (NOTE: THE 4-H EXCHANGE) AND IS INTERESTED IN FURTHER EXPANDING THIS FORM OF COOPERATION.
- 5. THE POLISH GROUP TENTATIVELY EXPRESSED ITS INTEREST IN COOPERATING WITH THE US IN CONSTRUCTION IN POLAND OF A SOYBEAN PROCESSING PLANT, AND OF GRAIN HANDLING FACILITIES

IN POLISH PORTS. THE US DELEGATION PROMISED TO CONSIDER THE POSSIBILITIES AND FORMS OF COOPERATION IN THIS AREA AND TO REVERT TO THE QUESTION AT A LATER DATE.

6. BOTH SIDES CONFIRMED THAT THEY WERE SATISFIED WITH THE DEVELOPMENTS IN THEIR COOPERATION IN THE FIELD OF AGRICULTURE, AND DECLARED THEIR INTENTIONS TO CARRY ON THIS COOPERATION. END TEXT.

7. A COPY OF THE ORIGINAL POLISH TEXT FOLLOWS. SCHAUFELE

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